

UTILITY ADVISORY BOARD

Thursday, September 18, 2014

8:00 a.m.

Grand Rapids Parking Service Conference Room
50 Ottawa NW (see map)

AGENDA

1. Approval of Minutes – July 17, 2014 (attached)
2. Public Comment on Agenda Items
3. WSS/SDS Q4-FYTD14 Preliminary Financial Reports (attached)
4. Bond Financing Update
 - a. Sewer Refunding
 - b. WSS/SDS Master Bond Ordinance Covenant Compliance Disclosure
5. 5-Year Extension of Water/Sewer System Agreements (attached)
6. Contract Awards for July/August, 2014 (attached)
7. Updates:
 - a. Great Lakes Restoration Conference, 9/9/14
 - b. 3-1-1 / Customer Information System
 - Water/Sewer Configuration Solution
 - c. E-services Launch in Utility Business Office
 - d. ACSET - CY2014 funds remaining
 - e. Add To Tax (ATT) processing for Winter 2014 Tax Roll Addition
 - f. Rate Review Sub-Committee
 - g. FY2016-FY2020 Capital Project Budgeting -- Retail Communities
8. Items from Members
9. Next Meeting – Thursday, October 16 – where?
10. Adjournment

**Utility Advisory Board
July 17, 2014**

1. Call to Order:

The meeting was called to order by Eric DeLong, at 8:00 a.m. at Walker City Hall,

2. Attendance:

Members Attending:

Tim Bradshaw (alternate)
Eric DeLong
Brian Donovan
Geri Eye
George Haga
Wayne Jernberg
Mike Lunn
Pam Ritsema
Ed Robinette
Chuck Schroeder
Ben Swayze
Joellen Thompson
Cathy VanderMeulen
Toby VanEss
Josh Westgate
Ron Woods

Others Attending:

John Allen
Nancy Meyer
Nicole Pasch
Darrell Schmalzel

Members Absent:

Mark DeClercq
Richard Robertson

3. Approval of Minutes:

Motion 14-08: Ed Robinette, supported by Ron Woods, moved to approve the minutes of the June 19, 2014, Utility Advisory Board meeting as presented. Motion carried.

4. Public Comment: There was no public comment.

5. Quarter 4 - FY14 Combined Operational Graphs

Geri Eye referred members to the graphs provided in the meeting materials. She noted that the really high point indicated in sewer is when the flood took place last year which skews averages somewhat.

She handed out a revised YTD Billed Flow graph and reviewed it. Billed flow for sewer is about 7 MG which suggests we may be making a rate increase. However, we do look at a 3-year average so it may not be much. Billed flow in water is 11.293 MG

which also suggests that rates might increase, but again the 3-year average may change this.

6. Quarter 2- CY14 ASCET Report

Nicole Pasch referred members to the information provided in the meeting materials. We have transferred funds to ASCET, but they have not used it all to date. It seems the funds will be lasting longer this year. She noted that there were 5 households outside of Grand Rapids that were assisted.

Eric DeLong asked when the contract is up. Nicole Pasch indicated that she is working with the attorneys on revising the contract now. Then she will be bringing it forward to the ASCET Board and the UAB.

7. Contract Awards

There were no contract awards to report for June, 2014.

8. Updates

311 – Customer Information System

Pam Ritsema reported that 311 will begin usage on October 1, 2014. We will be including information for customers outside the City of Grand Rapids on how to contact us. Nicole noted that the bills currently say (616) 456-3200 and we can continue to have this on there for some time.

Sewer Enterprise Revenue Debt Bond Rating

Moody's affirmed our Aa1 rating. Geri Eye noted that this is just a periodic review they do. Some of the things that helped are that we have a large and diverse service area, including the customer communities, and the fact that we have a very strong rate setting practice. They also gave us credit for having a debt service coverage that is expected to improve and that our infrastructure is up to date. She referred members to the key statistics about the system called out on page 3 of the document.

Eric DeLong noted that we were concerned about the debt coverage ratio, but we were able to meet the minimum. We need to pay attention to this as we set rates going forward. H also noted there are some really old areas within our distribution and collection systems that we are looking at to determine where we need to do infrastructure upgrades.

Rate Review Sub-Committee

Eric DeLong referred members to the information provided in the meeting materials. He noted that we started out with a broad review of the rate setting methodology and determining if we just needed to do some tweaks or if we needed to do an overall review and revision. It was determined that we were happy overall with the methodology but just needed to look at some tweaks.

Joellen Thompson reported that the Mayor accepted an award recently at a Great Lakes/Saint Lawrence conference for the most improved system.

Eric DeLong continued that the Subcommittee has determined it's about getting more customers and how you encourage customers to connect. The group looked at the costs to connect to the system and learned it could be as much as \$33,000. Compared to well/septic which could be closer to \$13,500, it's difficult to encourage people to connect. In response, we started looking at the impact of pulling various costs out of the total costs to connect.

Integrated Connection Charges and Front Footage costs are a part of the total cost to connect. He referred members to the history of these costs. He noted that we aren't bringing in as much lately as we have in the past, making the rate impact less. Front footage charges don't bring in a large amount, but some were set by developer payback agreements so we still need to work on this more.

Geri Eye referred members to the customer cost analysis with the elimination of connection fee. This depicts that eliminating the connection fees would bring the total cost to connect down to about \$28,000. The group then looked at how many customers we would need to connect in order to minimize the impact on rates of eliminating the connection fees. Approximately 2,000 water customers and 1,500 sewer customers would be needed. She noted that the \$28,000 is still much higher than the \$13,500 cost for well/septic. If we don't include the costs that the developer usually pays, the actual cost to the customer could get down as low as about \$2,000.

Eric DeLong added that the Subcommittee has discussed having a base connection fee that would be much less than the current fee but would still cover our administrative costs.

Geri Eye then quickly reviewed the last two charts that show the Commodity Charge as a percent of the Revenue Requirement with the elimination of the Connection Fee. We have also just looked at our existing system to see where we have water customers with no sewer and vice-versa and will be discussing this with the Committee this afternoon. Wayne Jernberg noted that we are also looking at where we do have facilities available and where we don't in relation to these customers. This will provide us some areas and customers to target for connection.

Eric DeLong noted that we are focusing within the USD by looking at these customers and not looking at expanding the system out into the UUB to incent new connections.

Cathy VanderMeulen asked about commercial versus residential. Wayne Jernberg indicated that the list does show the property addresses so we can determine this. He also noted that they took out customers with irrigation systems.

Ms. VanderMeulen asked what time period we are looking at that we would need to bring new customers on in order to maintain rates. Geri Eye indicated that the group

hasn't totally figured that out yet as far as whether we just stop the connection fees or if we phase it out while we bring on new customers. So there will be more to come on this. The impact on rates is figured to be 1.5% in sewer and 2% in water.

Cathy VanderMeulen asked about front footage and whether we would make changes there. Eric DeLong indicated that we don't know how to do it yet, but this is a large cost usually so we are looking at that. We need to break this down yet and see where we have had front footage costs; we don't collect a lot for these each year but it depends on whether it all falls in one community or not. Developer pay-back agreements in several communities complicate this discussion as well.

Cathy VanderMeulen noted that she feels the group is headed in the right direction as the whole intent is to incent people to connect.

Great Lakes Restoration Conference Sponsorship – Eric DeLong reported that this sponsorship was approved in June. Nancy Meyer will be contacting members to provide invitations to some of the events at the conference. We can have a table to present information on if we would like. GVRBA also sponsored the event for a lesser amount and will have some spaces as well. They also can have a table so we might want to look at doing something jointly.

9. Items from members:

VanderMeulen Retirement

Motion 14-09: Ed Robinette, supported by Brian Donovan, moved

1. That the retirement of Cathy Vander Meulen from the Utility Advisory Board (UAB) is accepted; and
2. That Ms. Vander Meulen is to be commended and thanked for her commitment and many contributions over the past ten and one-half years as a member of the UAB; and
3. That the UAB also acknowledges Ms. Vander Meulen for the many years of dedicated service she has provided to the City of Walker; and
4. That a Certificate of Appreciation is to be presented to Ms. Vander Meulen upon her retirement as an expression of the UAB's gratitude for her many years of service.

Motion Carried. Eric DeLong then presented Ms. VanderMeulen with a certificate of appreciation from the UAB. Ms. VanderMeulen made a few comments of appreciation.

Rate Study - Geri Eye distributed one additional schedule which is an addendum to the Rate Study Schedule previously provided. This lists all the administrative things that take place in addition to the Rate Study Tasks.

Staff Awards – Mike Lunn reported that two staff received awards at a recent conference. Chad Snyder was recognized for the work done on the flood last year and Kathy Kuzawa was recognized for work being done in real time control.

Introduction - Cathy VanderMeulen introduced Darrel Smalzel who will be taking her place on the UAB, representing the City of Walker.

10. Next Meeting

Motion 14-10: Ed Robinette, supported by Wayne Jernberg, moved that the August 21 meeting of the Utility Advisory Board be cancelled. Motion carried.

The next meeting of the Utility Advisory Board is scheduled for Thursday, September 18.

11. Adjournment

The meeting was then adjourned.

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WATER SUPPLY SYSTEM				Fund:	WSS - WATER SUPPLY SYSTEM	
PRELIMINARY FINANCIAL REPORT				Subfund:	500 - RECEIVING/OPERATIONS	
QUARTER ENDING 06/30/14						
<i>Description</i>	<i>Group</i>	<i>FY13 Final</i>	<i>ADOPTED FY14 BUDGET</i>	<i>Q4FYTD-FY13</i>	<i>Q4FYTD-FY14</i>	<i>FY14/FY13 VARIANCE</i>
Retail Service Charges	1	\$ 37,487,612	\$ 37,316,390	\$ 37,487,612	\$ 33,935,039	\$ (3,552,572)
Wholesale Service Charges	2	\$ 3,732,853	\$ 3,797,433	\$ 3,732,853	\$ 3,566,221	\$ (166,632)
Front Footage Fees	3	\$ 147,276	\$ 150,000	\$ 147,276	\$ 91,780	\$ (55,496)
Integrated Connection Fees	4	\$ 803,059	\$ 700,000	\$ 803,059	\$ 864,349	\$ 61,289
Sewage Disposal Fund-Customer Service	5	\$ 2,034,682	\$ 1,933,471	\$ 2,034,682	\$ 2,080,651	\$ 45,969
Penalties	6	\$ 1,189,943	\$ 1,400,000	\$ 1,189,943	\$ 1,336,935	\$ 146,992
Miscellaneous	7/8/9	\$ 1,772,519	\$ 1,473,371	\$ 1,772,519	\$ 2,239,219	\$ 466,700
Total Revenue		\$ 47,167,945	\$ 46,770,665	\$ 47,167,945	\$ 44,114,194	\$ (3,053,751)
Personal Services	700	\$ 12,079,585	\$ 12,165,567	\$ 12,079,585	\$ 11,323,089	\$ (756,496)
Supplies	726	\$ 1,262,608	\$ 1,538,150	\$ 1,262,608	\$ 703,295	\$ (559,313)
Other Services and Charges	800	\$ 10,147,247	\$ 10,386,889	\$ 10,147,247	\$ 11,691,264	\$ 1,544,017
Capital Outlay	970	\$ 62,324	\$ 436,612	\$ 62,324	\$ 146,893	\$ 84,569
Appropriation Lapse	996	\$ -	\$ (1,020,000)	\$ -	\$ -	\$ -
Transfers Out	999	\$ 2,889,923	\$ 1,022,957	\$ 2,889,923	\$ 1,022,957	\$ (1,866,966)
Total Expenses		\$ 26,441,687	\$ 24,530,175	\$ 26,441,687	\$ 24,887,497	\$ (1,554,189)
Net Income (Loss)		\$ 20,726,258	\$ 22,240,490	\$ 20,726,258	\$ 19,226,697	\$ (1,499,561)
Total Revenue (Reconciliation)		\$ 42,939,519	\$ 47,047,316	\$ 42,939,519	\$ 42,858,365	\$ (81,154)
Contributed Capital	10	\$ (783,093)	\$ -	\$ (783,093)	\$ -	\$ 783,093
Bond Proceeds	11	\$ 5,011,519	\$ -	\$ 5,011,519	\$ 1,532,480	\$ (3,479,039)
Project Closeouts	5	\$ -	\$ -	\$ -	\$ -	\$ -
Budget Amendments	12	\$ -	\$ (276,651)	\$ -	\$ (276,651)	\$ (276,651)
UAB Total Revenue		\$ 47,167,945	\$ 46,770,665	\$ 47,167,945	\$ 44,114,194	\$ (3,053,751)
Check Figure (s/b zero if reconciled)		\$ -	\$ 0	\$ -	\$ 0	\$ 0
Total Expenses (Reconciliation)		\$ 39,442,371	\$ 35,065,496	\$ 39,442,371	\$ 35,623,807	\$ (3,818,564)
Capital Contributions	800	\$ 9,438,346	\$ -	\$ 9,438,346	\$ -	\$ (9,438,346)
Depreciation	800	\$ (7,732,588)	\$ -	\$ (7,732,588)	\$ -	\$ 7,732,588
Debt Service	990	\$ (12,695,442)	\$ (5,369,864)	\$ (12,695,442)	\$ (5,664,310)	\$ 7,031,132
Carry Forwards	800	\$ -	\$ (78,519)	\$ -	\$ -	\$ -
Capital Projects (incl. in Transfers Out)	999	\$ (2,011,000)	\$ (5,072,000)	\$ (2,011,000)	\$ (5,072,000)	\$ (3,061,000)
Budget Amendments	800	\$ -	\$ (14,938)	\$ -	\$ -	\$ -
UAB Total Expenses		\$ 26,441,687	\$ 24,530,175	\$ 26,441,687	\$ 24,887,497	\$ (1,554,189)
Check Figure (s/b zero if reconciled)		\$ -	\$ -	\$ -	\$ -	\$ -

WATER SUPPLY SYSTEM					Fund:	WSS - WATER SUPPLY SYSTEM	
PRELIMINARY FINANCIAL REPORT					Subfund:	500 - RECEIVING/OPERATIONS	
QUARTER ENDING 06/30/14							
GPFM OL3	Group	Description	FY13 Final	FY14 Budget	Q4FYTD-FY13	Q4FYTD-FY14	FY14/FY13 VARIANCE
451006	7	CONTRACTOR UNDERGROUND LICENSE	\$ 6,840	\$ 6,000	\$ 6,840	\$ 7,200	\$ 360
476012	7	TAPPING PERMITS	\$ 7,200	\$ 6,000	\$ 7,200	\$ 15,005	\$ 7,805
539701	7	MI DEPT OF ENVIRONMNTL QUALITY	\$ 138,272	\$ -	\$ 138,272	\$ 550,532	\$ 412,260
607001	7	MISCELLANEOUS SERVICE FEES	\$ 493,113	\$ 550,000	\$ 493,113	\$ 497,710	\$ 4,597
607003	7	MONTHLY STATEMENT SERVICE FEES	\$ -	\$ -	\$ -	\$ -	\$ -
607007	7	MATERIAL - SERVICES	\$ 3,139	\$ -	\$ 3,139	\$ -	\$ (3,139)
607031	7	PRELIM/DESIGN/CONSTR ENGINEERIN	\$ -	\$ -	\$ -	\$ -	\$ -
607033	9	SERVICES FOR CONTRACTORS	\$ 89,334	\$ 75,000	\$ 89,334	\$ 19,506	\$ (69,827)
607050	7	INSPECTION FEES - UTILITIES	\$ 28,510	\$ 30,000	\$ 28,510	\$ 41,589	\$ 13,079
607051	3	FRONT FOOTAGE	\$ 147,276	\$ 150,000	\$ 147,276	\$ 91,780	\$ (55,496)
607052	7	METER SETTING FEES	\$ 37,610	\$ 36,000	\$ 37,610	\$ 27,269	\$ (10,341)
607053	4	INTEGRATED CONNECTION FEES	\$ 803,059	\$ 700,000	\$ 803,059	\$ 864,349	\$ 61,289
607111	1	FIRE HYDRANT BILLINGS	\$ 61,464	\$ 62,000	\$ 61,464	\$ 135,576	\$ 74,112
642009	9	SALE OF SCRAP MATERIAL	\$ 25,606	\$ -	\$ 25,606	\$ 131,759	\$ 106,153
642011	1	RETAIL METERED WATER SALES	\$ 37,412,224	\$ 37,240,390	\$ 37,412,224	\$ 33,792,824	\$ (3,619,400)
642012	2	WHOLESALE WATER SALES	\$ 3,732,853	\$ 3,797,433	\$ 3,732,853	\$ 3,566,221	\$ (166,632)
642013	1	WYOMING WATER SALES	\$ 13,924	\$ 14,000	\$ 13,924	\$ 6,640	\$ (7,284)
642019	7	INVENTORY WITHDRAWALS (SALES)	\$ -	\$ -	\$ -	\$ (103,444)	\$ (103,444)
642024	7	UNMETERED WATER SALES	\$ 91,622	\$ 130,000	\$ 91,622	\$ 94,933	\$ 3,310
659002	6	WATER PENALTIES	\$ 1,189,943	\$ 1,400,000	\$ 1,189,943	\$ 1,336,935	\$ 146,992
665001	8	INTEREST ON INVESTMENT	\$ 192,493	\$ 110,000	\$ 192,493	\$ 228,314	\$ 35,821
665002	8	OTHER INTEREST INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
667002	9	RENTALS - OTHER	\$ -	\$ -	\$ -	\$ 360	\$ 360
667003	9	RENTALS - FACILITIES	\$ 550,781	\$ 516,371	\$ 550,781	\$ 648,323	\$ 97,542
672002	8	INTEREST/PENALTIES ON SPEC ASSM	\$ 15,127	\$ 14,000	\$ 15,127	\$ 21,467	\$ 6,341
675003	10	CONTRIBUTED CAPITAL	\$ 783,093	\$ -	\$ 783,093	\$ -	\$ (783,093)
676001	9	REFUNDS - EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
676007	9	EXPENDITURE - REIMBURSEMENT	\$ 61,887	\$ -	\$ 61,887	\$ -	\$ (61,887)
676017	9	REIMB.FOR PERSONAL USE OF CITY	\$ -	\$ -	\$ -	\$ -	\$ -
694002	9	CASH - OVER/UNDER	\$ 971	\$ -	\$ 971	\$ 228	\$ (743)
694004	9	CLAIMS/DAMAGE BILLINGS	\$ 17,653	\$ -	\$ 17,653	\$ 45,472	\$ 27,819
694012	9	NON-SUFFICIENT FUNDS CHECK CHG	\$ 12,360	\$ -	\$ 12,360	\$ 12,730	\$ 370
694014	9	MISCELLANEOUS OTHER	\$ -	\$ -	\$ -	\$ 265	\$ 265
698001	11	BOND PROCEEDS	\$ (5,011,519)	\$ -	\$ (5,011,519)	\$ (1,532,480)	\$ 3,479,039
699001	5	OPERATING TRANSFERS IN-SUBSIDY	\$ 2,034,682	\$ 1,933,471	\$ 2,034,682	\$ 2,080,651	\$ 45,969
699005	12	OPERATING TRANSFERS-MISC	\$ -	\$ 276,651	\$ -	\$ 276,651	\$ 276,651
		REVENUE TOTAL	\$ 42,939,519	\$ 47,047,316	\$ 42,939,519	\$ 42,858,365	\$ (81,154)
7020	700	PERMANENT EMPLOYEES	\$ 7,143,794	\$ 7,097,813	\$ 7,143,794	\$ 6,518,738	\$ (625,056)
7025	700	ACT.ASSIGNMENT	\$ 15,612	\$ 12,000	\$ 15,612	\$ 12,225	\$ (3,388)
7040	700	TEMPORARY EMPLOYEES	\$ 13,476	\$ 6,132	\$ 13,476	\$ 86,862	\$ 73,385
7050	700	REGULAR HOURLY RATE	\$ 5,440	\$ 7,100	\$ 5,440	\$ 3,503	\$ (1,937)
7055	700	TIME & ONE-HALF	\$ 306,900	\$ 375,110	\$ 306,900	\$ 364,028	\$ 57,127
7105	700	EMPLOYERS SOCIAL SECURITY	\$ 544,456	\$ 579,996	\$ 544,456	\$ 507,427	\$ (37,029)
7110	700	HOSPITALIZATION INSURANCE	\$ 1,599,993	\$ 1,538,994	\$ 1,599,993	\$ 1,533,367	\$ (66,625)
7115	700	RETIREE HEALTH CARE	\$ 1,107,340	\$ 1,002,157	\$ 1,107,340	\$ 885,890	\$ (221,450)
7120	700	RETIREMENT FUND CONTRIBUTION	\$ 1,283,863	\$ 1,491,545	\$ 1,283,863	\$ 1,318,226	\$ 34,363
7125	700	SPECIAL PENSION BENEFITS	\$ 13,968	\$ 14,118	\$ 13,968	\$ 16,764	\$ 2,796
7135	700	UNEMPLOYMENT COMPENSATION	\$ 10,512	\$ 10,036	\$ 10,512	\$ 12,418	\$ 1,906
7150	700	LONGEVITY PAY	\$ 76,805	\$ 70,572	\$ 76,805	\$ 67,542	\$ (9,263)
7165	700	SHIFT DIFFERENTIAL	\$ 18,521	\$ 19,300	\$ 18,521	\$ 18,650	\$ 129
7175	700	FOOD/CLEAN/CAR ALLOWANCE	\$ -	\$ -	\$ -	\$ -	\$ -
7199	700	DEFAULT PAYROLL	\$ (61,096)	\$ (59,306)	\$ (61,096)	\$ (22,552)	\$ 38,544
7260	726	SUPPLIES	\$ 1,239,374	\$ 1,355,500	\$ 1,239,374	\$ 801,813	\$ (437,561)
7300	726	POSTAGE	\$ 21,593	\$ 180,150	\$ 21,593	\$ 2,021	\$ (19,571)
7680	726	CLOTHING	\$ 1,641	\$ 2,500	\$ 1,641	\$ 2,904	\$ 1,263
7710	726	INVENTORY	\$ -	\$ -	\$ -	\$ -	\$ -
7800	726	INVENTORY - COST OF GOODS SOLD	\$ -	\$ -	\$ -	\$ (103,444)	\$ (103,444)
8140	800	COMPUTER SERVICES	\$ 511,274	\$ 702,321	\$ 511,274	\$ 704,328	\$ 193,054
8150	800	311 Call Center Services	\$ -	\$ 535,627	\$ -	\$ 533,467	\$ 533,467
8160	800	ENGINEERING SERVICES	\$ 22,279	\$ 51,167	\$ 22,279	\$ 30,959	\$ 8,680
8180	800	CONTRACTUAL SERVICES	\$ 1,230,136	\$ 1,202,724	\$ 1,230,136	\$ 1,571,959	\$ 341,824
8355	800	CLAIMS	\$ 242,218	\$ 295,410	\$ 242,218	\$ 295,410	\$ 53,192
8360	800	MEDICAL/SUPPORTIVE CHARGES	\$ -	\$ -	\$ -	\$ -	\$ -
8450	800	INSURANCE PREMIUMS	\$ 159,769	\$ 175,746	\$ 159,769	\$ 159,964	\$ 195

GPFM OL3	Group	Description	FY13 Final	FY14 Budget	Q4FYTD-FY13	Q4FYTD-FY14	FY14/FY13 VARIANCE
8500	800	TELEPHONE	\$ 65,329	\$ 56,495	\$ 65,329	\$ 76,134	\$ 10,805
8510	800	Employee Phone Reimbursement	\$ -	\$ -	\$ -	\$ 583	\$ 583
8800	800	COMMUNITY PROMOTION	\$ 442	\$ 2,200	\$ 442	\$ 294	\$ (148)
8850	800	ADVERTISING - ANY MEDIA	\$ (93)	\$ -	\$ (93)	\$ -	\$ 93
9000	800	PRINTING & PUBLISHING	\$ 8,964	\$ 6,100	\$ 8,964	\$ 3,156	\$ (5,809)
9210	800	ELECTRICITY	\$ 3,463,890	\$ 3,545,000	\$ 3,463,890	\$ 3,209,163	\$ (254,727)
9220	800	WATER	\$ 4,574	\$ 5,200	\$ 4,574	\$ 4,351	\$ (223)
9230	800	NATURAL GAS	\$ 325,264	\$ 382,500	\$ 325,264	\$ 352,050	\$ 26,786
9300	800	MAINTENANCE SERVICE	\$ 870,539	\$ 665,052	\$ 870,539	\$ 1,498,128	\$ 627,589
9330	800	PAVEMENT REPAIR	\$ 1,702,180	\$ 1,336,000	\$ 1,702,180	\$ 1,421,521	\$ (280,659)
9410	800	BUILDINGS RENTALS OR LEASE	\$ 6,785	\$ 7,521	\$ 6,785	\$ 7,520	\$ 736
9420	800	EQUIPMENT RENTALS OR LEASE	\$ 1,160,041	\$ 1,155,435	\$ 1,160,041	\$ 1,102,484	\$ (57,556)
9430	800	LAND RENTAL OR LEASE	\$ 3,855	\$ 3,000	\$ 3,855	\$ 2,793	\$ (1,062)
9440	800	VEHICLE USAGE/CAR MILEAGE	\$ 24,573	\$ 23,269	\$ 24,573	\$ 38,352	\$ 13,779
9550	800	PROFESSIONAL DEVELOPMENT	\$ 12,502	\$ 15,700	\$ 12,502	\$ 3,273	\$ (9,229)
9552	800	OTHER TRAVEL & TRAINING	\$ 17,285	\$ 23,000	\$ 17,285	\$ 36,160	\$ 18,876
9554	800	LOCAL BUSINESS EXPENSE	\$ 564	\$ 1,200	\$ 564	\$ 245	\$ (319)
9556	800	MEMBERSHIPS	\$ 46,146	\$ 46,047	\$ 46,146	\$ 21,004	\$ (25,142)
9558	800	SUBSCRIPTIONS AND PUBLICATIONS	\$ 887	\$ 3,200	\$ 887	\$ 4,045	\$ 3,158
9610	800	FEES	\$ 113,401	\$ 71,932	\$ 113,401	\$ 345,956	\$ 232,555
9616	800	ADMINISTRATIVE SERVICES	\$ 143,655	\$ 160,000	\$ 143,655	\$ 148,743	\$ 5,088
9617	800	Late Fees-Utilities	\$ -	\$ -	\$ -	\$ 3,200	\$ 3,200
9620	800	BAD DEBT WRITE-OFFS	\$ 7,165	\$ -	\$ 7,165	\$ 112,597	\$ 105,432
9622	800	REFUSE COLLECTION CHARGES	\$ 3,625	\$ 8,500	\$ 3,625	\$ 3,425	\$ (200)
9624	800	PROPERTY TAXES	\$ -	\$ -	\$ -	\$ -	\$ -
9630	800	CAPITAL CONTRIBUTIONS	\$ (9,438,346)	\$ -	\$ (9,438,346)	\$ -	\$ 9,438,346
9680	800	DEPRECIATION	\$ 7,732,588	\$ -	\$ 7,732,588	\$ -	\$ (7,732,588)
9735	970	BUILDING ADDITIONS/IMPROVEMENTS	\$ 83	\$ -	\$ 83	\$ -	\$ (83)
9740	970	BOOKS/OTHER MATERIALS/ARTIFACTS	\$ -	\$ -	\$ -	\$ -	\$ -
9750	970	FURNITURE	\$ -	\$ 5,000	\$ -	\$ -	\$ -
9760	970	EQUIPMENT	\$ 54,989	\$ 431,612	\$ 54,989	\$ 98,089	\$ 43,099
9765	970	SOFTWARE	\$ 7,252	\$ -	\$ 7,252	\$ 9,556	\$ 2,304
9775	970	VEHICLES	\$ -	\$ -	\$ -	\$ 39,248	\$ 39,248
9920	990	PMT TO REFUND BONDS- ESCROW AC	\$ 3,335,793	\$ -	\$ 3,335,793	\$ -	\$ (3,335,793)
9950	990	INTEREST & PAYING AGENT FEES	\$ 5,272,437	\$ 5,369,864	\$ 5,272,437	\$ 5,753,504	\$ 481,067
9952	990	Amortization Expense	\$ 4,087,212	\$ -	\$ 4,087,212	\$ (89,194)	\$ (4,176,406)
9960	996	APPROPRIATION LAPSE	\$ -	\$ (1,020,000)	\$ -	\$ -	\$ -
9980	999	Special Items	\$ 1,532,821	\$ -	\$ 1,532,821	\$ -	\$ (1,532,821)
9990	999	OPERATING TRANS OUT-SUBSIDIES	\$ 292,161	\$ -	\$ 292,161	\$ -	\$ (292,161)
9992	999	OPERATING TRANSFERS-A87 COST	\$ 1,041,286	\$ 1,000,266	\$ 1,041,286	\$ 1,000,266	\$ (41,020)
9993	999	OPERATING TRANS-CAPT PROJECTS	\$ 2,011,000	\$ 5,072,000	\$ 2,011,000	\$ 5,072,000	\$ 3,061,000
9994	999	OPERATING TRANS-DEV CENTER	\$ 23,655	\$ 22,691	\$ 23,655	\$ 22,691	\$ (964)
9995	999	OPERATING TRANS-MISC	\$ -	\$ -	\$ -	\$ -	\$ -
		EXPENDITURE TOTAL	\$ 39,442,371	\$ 35,065,496	\$ 39,442,371	\$ 35,623,807	\$ (3,818,564)
		NET INCOME (LOSS)	\$ 3,497,148	\$ 11,981,820	\$ 3,497,148	\$ 7,234,557	\$ 3,737,410

SEWAGE DISPOSAL SYSTEM				Fund:	SDS - SEWAGE DISPOSAL SYSTEM	
PRELIMINARY FINANCIAL REPORT				Subfund:	500 - RECEIVING/OPERATIONS	
QUARTER ENDING 06/30/14						
<i>Description</i>	<i>Group</i>	<i>FY13 Final</i>	<i>ADOPTED FY14 BUDGET</i>	<i>Q4FYTD-FY13</i>	<i>Q4FYTD-FY14</i>	<i>FY14/FY13 VARIANCE</i>
Retail Service Charges	1	\$ 44,035,641	\$ 46,807,229	\$ 44,035,641	\$ 44,237,652	\$ 202,011
Wholesale Service Charges	2	\$ 1,934,373	\$ 1,831,609	\$ 1,934,373	\$ 1,781,579	\$ (152,795)
Sewer Surcharges	3	\$ 1,605,632	\$ 2,370,900	\$ 1,605,632	\$ 1,751,793	\$ 146,161
Front Footage Fees	4	\$ 43,909	\$ 45,000	\$ 43,909	\$ 106,570	\$ 62,661
Integrated Connection Fees	5	\$ 782,106	\$ 660,000	\$ 782,106	\$ 838,054	\$ 55,947
Miscellaneous	6/7/8	\$ 1,308,902	\$ 995,600	\$ 1,308,902	\$ 1,723,205	\$ 414,303
Total Revenue		\$ 49,710,563	\$ 52,710,338	\$ 49,710,563	\$ 50,438,852	\$ 728,288
Personal Services	700	\$ 8,997,549	\$ 9,774,859	\$ 8,997,549	\$ 8,855,568	\$ (141,981)
Supplies	726	\$ 1,745,540	\$ 1,430,093	\$ 1,745,540	\$ 1,250,322	\$ (495,217)
Other Services and Charges	800	\$ 11,721,967	\$ 12,350,361	\$ 11,721,967	\$ 11,109,686	\$ (612,281)
Capital Outlay	970	\$ 121,200	\$ 211,000	\$ 121,200	\$ 188,224	\$ 67,024
Appropriation Lapse	996	\$ -	\$ (1,036,000)	\$ -	\$ -	\$ -
Transfers Out	999	\$ 2,197,774	\$ 2,568,842	\$ 2,197,774	\$ 2,716,022	\$ 518,248
Total Expenses		\$ 24,784,029	\$ 25,299,155	\$ 24,784,029	\$ 24,119,823	\$ (664,206)
Net Income (Loss)		\$ 24,926,534	\$ 27,411,183	\$ 24,926,534	\$ 26,319,029	\$ 1,392,495
Total Revenue (Reconciliation)		\$ 49,204,952	\$ 52,710,338	\$ 49,204,952	\$ 49,605,712	\$ 400,760
Contributed Capital	9	\$ (920,463)	\$ -	\$ (920,463)	\$ -	\$ 920,463
BABS	10	\$ (478,533)	\$ -	\$ (478,533)	\$ (464,274)	\$ 14,258
Bond Proceeds	11	\$ 1,904,607	\$ -	\$ 1,904,607	\$ 1,297,414	\$ (607,193)
Project Closeouts	13	\$ -	\$ -	\$ -	\$ -	\$ -
Budget Amendments	12	\$ -	\$ -	\$ -	\$ -	\$ -
UAB Total Revenue		\$ 49,710,563	\$ 52,710,338	\$ 49,710,563	\$ 50,438,852	\$ 728,288
Check Figure (s/b zero if reconciled)		\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses (Reconciliation)		\$ 38,879,420	\$ 38,363,834	\$ 38,879,420	\$ 37,005,742	\$ (1,873,678)
Capital Contributions	800	\$ 17,290,709	\$ -	\$ 17,290,709	\$ -	\$ (17,290,709)
Depreciation	800	\$ (13,300,710)	\$ -	\$ (13,300,710)	\$ -	\$ 13,300,710
Debt Service	990	\$ (12,235,332)	\$ (12,779,776)	\$ (13,834,390)	\$ (12,825,920)	\$ 1,008,470
Carry Forwards	800	\$ -	\$ (211,660)	\$ -	\$ -	\$ -
Capital Projects (incl. in Transfers Out)	999	\$ (4,251,000)	\$ (60,000)	\$ (4,251,000)	\$ (60,000)	\$ 4,191,000
Budget Amendments	800	\$ -	\$ (13,243)	\$ -	\$ -	\$ -
Prior Year Adjustment(s)	999	\$ (1,599,058)	\$ -	\$ -	\$ -	\$ -
UAB Total Expenses		\$ 24,784,029	\$ 25,299,155	\$ 24,784,029	\$ 24,119,823	\$ (664,206)
Check Figure (s/b zero if reconciled)		\$ -	\$ -	\$ -	\$ -	\$ -

SEWAGE DISPOSAL SYSTEM					Fund:	SDS - SEWAGE DISPOSAL SYSTEM	
PRELIMINARY FINANCIAL REPORT					Subfund:	500 - RECEIVING/OPERATIONS	
QUARTER ENDING 06/30/14							
GPFM OL3	Group	Description	FY13 Final	FY14 Budget	Q4FYTD-FY13	Q4FYTD-FY14	FY14/FY13 VARIANCE
476009	7	INDUSTRIAL PRETREATMENT PERMITS	\$ 61,136	\$ 65,800	\$ 61,136	\$ 55,853	\$ (5,284)
501902	8	FEDERAL EMERGENCY MGMT-PASS THR	\$ -	\$ -	\$ -	\$ 44,429	\$ 44,429
539701	8	MI DEPT OF ENVIRONMNTL QUALITY	\$ 253,921	\$ -	\$ 253,921	\$ 446,297	\$ 192,376
607001	8	MISCELLANEOUS SERVICE FEES	\$ 4,127	\$ 10,000	\$ 4,127	\$ 7,763	\$ 3,636
607009	8	PHOTOCOPY FEES	\$ -	\$ -	\$ -	\$ -	\$ -
607031	8	PRELIM/DESIGN/CONSTR ENGINEERIN	\$ -	\$ -	\$ -	\$ -	\$ -
607050	8	INSPECTION FEES - UTILITIES	\$ 37,740	\$ 20,000	\$ 37,740	\$ 40,331	\$ 2,591
607051	4	FRONT FOOTAGE	\$ 43,909	\$ 45,000	\$ 43,909	\$ 106,570	\$ 62,661
607053	5	INTEGRATED CONNECTION FEES	\$ 782,106	\$ 660,000	\$ 782,106	\$ 838,054	\$ 55,947
607055	1	RETAIL SEWAGE SERVICE	\$ 43,947,351	\$ 46,717,229	\$ 43,947,351	\$ 44,165,651	\$ 218,300
607056	1	WYOMING SEWAGE SERVICE	\$ 88,290	\$ 90,000	\$ 88,290	\$ 72,001	\$ (16,290)
607057	8	INDUSTRIAL DISCHARGE AUTHORIZAT	\$ 500	\$ 24,800	\$ 500	\$ 1,600	\$ 1,100
607059	5	SEWAGE CONNECTION FEES	\$ -	\$ -	\$ -	\$ -	\$ -
607060	2	WHOLESALE SEWAGE SERVICE	\$ 1,934,373	\$ 1,831,609	\$ 1,934,373	\$ 1,781,579	\$ (152,795)
607061	4	SEWAGE FRONT FOOTAGE	\$ -	\$ -	\$ -	\$ -	\$ -
607074	3	SEWAGE SURCHARGE	\$ 1,605,632	\$ 2,370,900	\$ 1,605,632	\$ 1,751,793	\$ 146,161
642003	8	SALES - OTHER	\$ 519	\$ -	\$ 519	\$ 349	\$ (170)
642009	8	SALE OF SCRAP MATERIAL	\$ 2,897	\$ -	\$ 2,897	\$ 1,809	\$ (1,088)
642019	8	INVENTORY WITHDRAWALS (SALES)	\$ 35,550	\$ 15,000	\$ 35,550	\$ 33,892	\$ (1,658)
642024	8	UNMETERED WATER SALES	\$ -	\$ -	\$ -	\$ -	\$ -
665001	7	INTEREST ON INVESTMENT	\$ 180,844	\$ 120,000	\$ 180,844	\$ 229,542	\$ 48,698
665002	7	OTHER INTEREST INCOME	\$ -	\$ -	\$ -	\$ -	\$ -
672002	7	INTEREST/PENALTIES ON SPEC ASSM	\$ 7,023	\$ 10,000	\$ 7,023	\$ 11,730	\$ 4,707
675003	9	CONTRIBUTED CAPITAL	\$ 920,463	\$ -	\$ 920,463	\$ -	\$ (920,463)
676001	8	REFUNDS - EXPENDITURES	\$ 5,525	\$ 5,000	\$ 5,525	\$ 643,485	\$ 637,961
676007	8	EXPENDITURE - REIMBURSEMENT	\$ 692,480	\$ 705,000	\$ 692,480	\$ 198,560	\$ (493,920)
676017	8	REIMB.FOR PERSONAL USE OF CITY	\$ 707	\$ -	\$ 707	\$ -	\$ (707)
680001	10	BABS-Income-Federal	\$ 478,533	\$ -	\$ 478,533	\$ 464,274	\$ (14,258)
694004	8	CLAIMS/DAMAGE BILLINGS	\$ 995	\$ -	\$ 995	\$ -	\$ (995)
694012	8	NON-SUFFICIENT FUNDS CHECK CHG	\$ -	\$ -	\$ -	\$ -	\$ -
694014	8	MISCELLANEOUS OTHER	\$ 24,939	\$ 20,000	\$ 24,939	\$ 7,564	\$ (17,375)
698001	11	BOND PROCEEDS	\$ (1,904,607)	\$ -	\$ (1,904,607)	\$ (1,297,414)	\$ 607,193
699001	13	OPERATING TRANSFERS IN-SUBSIDY	\$ -	\$ -	\$ -	\$ -	\$ -
699005	12	OPERATING TRANSFERS-MISC	\$ -	\$ -	\$ -	\$ -	\$ -
		REVENUE TOTAL	\$ 49,204,952	\$ 52,710,338	\$ 49,204,952	\$ 49,605,712	\$ 400,760
7020	700	PERMANENT EMPLOYEES	\$ 5,302,534	\$ 5,727,309	\$ 5,302,534	\$ 5,193,441	\$ (109,093)
7025	700	ACT.ASSIGNMENT	\$ 13,420	\$ 9,500	\$ 13,420	\$ 37,397	\$ 23,977
7040	700	TEMPORARY EMPLOYEES	\$ 34,668	\$ 71,000	\$ 34,668	\$ 45,373	\$ 10,705
7050	700	REGULAR HOURLY RATE	\$ 1,820	\$ -	\$ 1,820	\$ 3,137	\$ 1,317
7055	700	TIME & ONE-HALF	\$ 154,315	\$ 132,000	\$ 154,315	\$ 143,378	\$ (10,937)
7105	700	EMPLOYERS SOCIAL SECURITY	\$ 394,294	\$ 457,778	\$ 394,294	\$ 387,708	\$ (6,586)
7110	700	HOSPITALIZATION INSURANCE	\$ 1,204,045	\$ 1,237,787	\$ 1,204,045	\$ 1,221,960	\$ 17,915
7115	700	RETIREE HEALTH CARE	\$ 833,821	\$ 807,709	\$ 833,821	\$ 710,083	\$ (123,738)
7120	700	RETIREMENT FUND CONTRIBUTION	\$ 920,604	\$ 1,197,509	\$ 920,604	\$ 1,019,652	\$ 99,048
7125	700	SPECIAL PENSION BENEFITS	\$ 16,704	\$ 14,118	\$ 16,704	\$ 21,718	\$ 5,014
7135	700	UNEMPLOYMENT COMPENSATION	\$ 7,423	\$ 10,780	\$ 7,423	\$ 7,753	\$ 330
7150	700	LONGEVITY PAY	\$ 49,387	\$ 50,107	\$ 49,387	\$ 47,531	\$ (1,856)
7160	700	TEMPORARY	\$ 242	\$ -	\$ 242	\$ 15	\$ (227)
7165	700	SHIFT DIFFERENTIAL	\$ 14,612	\$ -	\$ 14,612	\$ 13,557	\$ (1,055)
7175	700	FOOD/CLEAN/CAR ALLOWANCE	\$ -	\$ -	\$ -	\$ -	\$ -
7199	700	DEFAULT PAYROLL	\$ 49,660	\$ 59,263	\$ 49,660	\$ 2,864	\$ (46,796)
7260	726	SUPPLIES	\$ 1,691,252	\$ 1,405,307	\$ 1,691,252	\$ 1,194,174	\$ (497,078)
7300	726	POSTAGE	\$ 1,262	\$ 1,950	\$ 1,262	\$ 1,941	\$ 679
7680	726	CLOTHING	\$ 17,611	\$ 22,836	\$ 17,611	\$ 20,315	\$ 2,704
7710	726	INVENTORY	\$ -	\$ -	\$ -	\$ -	\$ -
7800	726	INVENTORY - COST OF GOODS SOLD	\$ 35,414	\$ -	\$ 35,414	\$ 33,892	\$ (1,522)
8140	800	COMPUTER SERVICES	\$ 354,589	\$ 313,079	\$ 354,589	\$ 313,079	\$ (41,510)
8150	800	311 Call Center Services	\$ -	\$ 67,768	\$ -	\$ 6,451	\$ 6,451
8160	800	ENGINEERING SERVICES	\$ -	\$ 48,553	\$ -	\$ 47,107	\$ 47,107
8180	800	CONTRACTUAL SERVICES	\$ 6,124,022	\$ 6,433,441	\$ 6,124,022	\$ 5,661,294	\$ (462,728)
8355	800	CLAIMS	\$ 277,027	\$ 374,478	\$ 277,027	\$ 353,434	\$ 76,407
8450	800	INSURANCE PREMIUMS	\$ 191,089	\$ 210,198	\$ 191,089	\$ 191,323	\$ 234
8500	800	TELEPHONE	\$ 124,989	\$ 124,843	\$ 124,989	\$ 73,681	\$ (51,308)
8510	800	Employee Phone Reimbursement	\$ -	\$ -	\$ -	\$ 1,876	\$ 1,876

GPFM OL3	Group	Description	FY13 Final	FY14 Budget	Q4FYTD-FY13	Q4FYTD-FY14	FY14/FY13 VARIANCE
8800	800	COMMUNITY PROMOTION	\$ -	\$ 200	\$ -	\$ -	\$ -
9000	800	PRINTING & PUBLISHING	\$ 19,242	\$ 12,750	\$ 19,242	\$ 11,345	\$ (7,898)
9210	800	ELECTRICITY	\$ 2,399,836	\$ 2,591,051	\$ 2,399,836	\$ 2,291,745	\$ (108,091)
9220	800	WATER	\$ 40,124	\$ 55,594	\$ 40,124	\$ 32,797	\$ (7,327)
9230	800	NATURAL GAS	\$ 251,266	\$ 228,346	\$ 251,266	\$ 270,480	\$ 19,215
9300	800	MAINTENANCE SERVICE	\$ 263,426	\$ 521,584	\$ 263,426	\$ 20,147	\$ (243,279)
9310	800	HOME REPAIR	\$ 96,657	\$ 100,000	\$ 96,657	\$ 172,015	\$ 75,357
9330	800	PAVEMENT REPAIR	\$ 93,670	\$ -	\$ 93,670	\$ 91,378	\$ (2,292)
9410	800	BUILDINGS RENTALS OR LEASE	\$ 19,258	\$ 21,347	\$ 19,258	\$ 21,347	\$ 2,089
9420	800	EQUIPMENT RENTALS OR LEASE	\$ 1,372,083	\$ 1,291,982	\$ 1,372,083	\$ 1,338,618	\$ (33,465)
9430	800	LAND RENTAL OR LEASE	\$ 4,259	\$ 7,500	\$ 4,259	\$ 3,115	\$ (1,143)
9440	800	VEHICLE USAGE/CAR MILEAGE	\$ 11,886	\$ 11,917	\$ 11,886	\$ 11,580	\$ (306)
9550	800	PROFESSIONAL DEVELOPMENT	\$ 7,565	\$ 20,880	\$ 7,565	\$ 12,223	\$ 4,658
9552	800	OTHER TRAVEL & TRAINING	\$ 31,495	\$ 68,000	\$ 31,495	\$ 31,182	\$ (313)
9554	800	LOCAL BUSINESS EXPENSE	\$ 4,000	\$ 5,800	\$ 4,000	\$ 5,270	\$ 1,271
9556	800	MEMBERSHIPS	\$ 11,756	\$ 17,995	\$ 11,756	\$ 9,363	\$ (2,393)
9558	800	SUBSCRIPTIONS AND PUBLICATIONS	\$ 2,434	\$ 4,780	\$ 2,434	\$ -	\$ (2,434)
9610	800	FEES	\$ 21,217	\$ 39,818	\$ 21,217	\$ 49,021	\$ 27,804
9617	800	Late Fees-Utilities	\$ -	\$ -	\$ -	\$ 5	\$ 5
9618	800	Late Fees-Other	\$ -	\$ -	\$ -	\$ 52	\$ 52
9620	800	BAD DEBT WRITE-OFFS	\$ -	\$ -	\$ -	\$ 89,759	\$ 89,759
9622	800	REFUSE COLLECTION CHARGES	\$ 78	\$ 3,360	\$ 78	\$ -	\$ (78)
9630	800	CAPITAL CONTRIBUTIONS	\$ (17,290,709)	\$ -	\$ (17,290,709)	\$ -	\$ 17,290,709
9680	800	DEPRECIATION	\$ 13,300,710	\$ -	\$ 13,300,710	\$ -	\$ (13,300,710)
9735	970	BUILDING ADDITIONS/IMPROVEMENTS	\$ 13,500	\$ -	\$ 13,500	\$ -	\$ (13,500)
9740	970	BOOKS/OTHER MATERIALS/ARTIFACTS	\$ -	\$ -	\$ -	\$ 928	\$ 928
9750	970	FURNITURE	\$ 4,813	\$ 14,000	\$ 4,813	\$ 12	\$ (4,801)
9760	970	EQUIPMENT	\$ 55,816	\$ 197,000	\$ 55,816	\$ 48,997	\$ (6,818)
9765	970	SOFTWARE	\$ 47,071	\$ -	\$ 47,071	\$ 138,287	\$ 91,216
9800	970	CONSTRUCTION IN PROGRESS	\$ -	\$ -	\$ -	\$ -	\$ -
9950	990	INTEREST & PAYING AGENT FEES	\$ 12,235,332	\$ 12,779,776	\$ 12,235,332	\$ 13,108,862	\$ 873,531
9952	990	Amortization Expense	\$ 1,599,058	\$ -	\$ 1,599,058	\$ (282,942)	\$ (1,882,001)
9960	996	APPROPRIATION LAPSE	\$ -	\$ (1,036,000)	\$ -	\$ -	\$ -
9990	999	OPERATING TRANS OUT-SUBSIDIES	\$ 2,034,682	\$ 1,933,471	\$ 2,034,682	\$ 2,080,651	\$ 45,969
9992	999	OPERATING TRANSFERS-A87 COST	\$ 163,092	\$ 635,371	\$ 163,092	\$ 635,371	\$ 472,279
9993	999	OPERATING TRANS-CAPT PROJECTS	\$ 4,251,000	\$ 60,000	\$ 4,251,000	\$ 60,000	\$ (4,191,000)
9995	999	OPERATING TRANS-MISC	\$ -	\$ -	\$ -	\$ -	\$ -
		EXPENDITURE TOTAL	\$ 38,879,420	\$ 38,363,834	\$ 38,879,420	\$ 37,005,742	\$ (1,873,678)
		NET INCOME (LOSS)	\$ 10,325,532	\$ 14,346,504	\$ 10,325,532	\$ 12,599,970	\$ 2,274,438

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: September 12, 2014

TO: Utility Advisory Board

FROM: Nancy Meyer
Administrative Analyst I

SUBJECT: **Five-Year Contract Extensions**

The provisions of the original agreements indicate that extensions are to be considered not earlier than 90 days nor less than 30 days prior to January 1 of each 5th year anniversary. We began this process last year and then realized we were only at 4 years. The previous extensions were approved by the Grand Rapids City Commission on December 15, 2009 (Proceeding #78902), and extended the term of agreements to December 31, 2038.

Therefore, the City and each Customer Community should approve an extension sometime between September 1, 2014 and December 1, 2014. Attorney Dick Wendt has provided the form of agreement for both retail and wholesale communities to take forward for approval. An electronic version will be emailed to members following the September UAB meeting.

Signed copies of each extension agreement should be provided to Nancy Meyer no later than December 5 for presentation to the Grand Rapids City Commission at their December 16 meeting.

/nlm

**THIRD EXTENSION TO WATER AND SANITARY
SEWER SERVICE AGREEMENT**

THIS EXTENSION TO WATER AND SANITARY SEWER SERVICE AGREEMENT made and executed as of _____, 2014 (hereinafter referred to as the "Third Extension"), by and between the **CITY OF GRAND RAPIDS** (hereinafter referred to as the "City") and _____ (hereinafter referred to as the "Customer Community").

RECITALS

A. The City, the Customer Community and certain other customer communities have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999 (hereinafter referred to as the "Agreement").

B. Section 15 of the Agreement provides that the Agreement shall have an initial term of thirty (30) years commencing January 1, 1999, and ending December 31, 2028.

C. Section 15 of the Agreement further provides that at each successive five (5) year anniversary date of the Agreement the City and the Customer Community agree to consider the approval of a five (5) year extension of the term of the Agreement.

NOW, THEREFORE, in consideration of the agreements contained in this Third Extension and the Agreement, the City and the Customer Community agree as follows:

Section 1. First and Second Extensions. The City and the Customer Community hereby ratify and confirm the First Extension of the Agreement extending the term of the Agreement through December 31, 2033 and the Second Extension of the Agreement extending the term of the Agreement through December 31, 2038.

Section 2. Third Extension. The term of the Agreement is hereby extended an additional five (5) years, i.e., the Third Extension, through December 31, 2043.

Section 3. Ratification. The terms and provisions of the Agreement with respect to the City and the Customer Community are in all other respects ratified and confirmed.

IN WITNESS WHEREOF, the City and the Customer Community have caused these presents to be signed by their respective duly authorized officers all as of the day and year first written above.

CITY OF GRAND RAPIDS

"City"

By: _____
George K. Heartwell, Mayor

Attest: _____
Darlene O'Neal, City Clerk

"Customer Community"

By: _____

Attest: _____

**THIRD EXTENSION TO WATER AND SANITARY
SEWER SERVICE AGREEMENT**

THIS EXTENSION TO WATER AND SANITARY SEWER SERVICE AGREEMENT made and executed as of _____, 2014 (hereinafter referred to as the "Third Extension"), by and between the **CITY OF GRAND RAPIDS** (hereinafter referred to as the "City") and _____ (hereinafter referred to as the "Customer Community").

RECITALS

A. The City, the Customer Community and certain other customer communities have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999 (hereinafter referred to as the "Agreement").

B. Section 17 of the Agreement provides that the Agreement shall have an initial term of thirty (30) years commencing January 1, 1999, and ending December 31, 2028.

C. Section 17 of the Agreement further provides that at each successive five (5) year anniversary date of the Agreement the City and the Customer Community agree to consider the approval of a five (5) year extension of the term of the Agreement.

NOW, THEREFORE, in consideration of the agreements contained in this Third Extension and the Agreement, the City and the Customer Community agree as follows:

Section 1. First and Second Extensions. The City and the Customer Community hereby ratify and confirm the First Extension of the Agreement extending the term of the Agreement through December 31, 2033 and the Second Extension of the Agreement extending the term of the Agreement through December 31, 2038.

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IN WITNESS WHEREOF, the City and the Customer Community have caused these presents to be signed by their respective duly authorized officers all as of the day and year first written above.

CITY OF GRAND RAPIDS

"City"

By: _____
George K. Heartwell, Mayor

Attest: _____
Darlene O'Neal, City Clerk

"Customer Community"

By: _____

Attest: _____

**Water/Sewer UAB Report
July 2014**

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Improvements at the Wilson Pump Station	Franklin Holwerda Company	7/8/14	5/1/15	6/19/15	\$ 81,000.00		2016	Non-Integrated
Improvements to the South Clearwell at the Lake Michigan Filtration Plant	Horizon Brothers Painting	7/8/14	11/14/14	12/12/14	\$ 634,400.00		2015	Integrated
Adjusting Manhole Castings at Various Locations - Contract 2014-01	Wyoming Excavators, Inc.	7/8/14	10/15/14	11/1/14	\$ 47,000.00	\$ 94,000.00	O&M	Non-Integrated
Adjusting Manhole Castings at Various Locations - Contract 2014-02	Wyoming Excavators, Inc.	7/8/14	10/15/14	11/1/14	\$ 47,000.00	\$ 94,000.00	O&M	Non-Integrated
Adjusting Manhole Castings at Various Location -Contract 2014-03	Wyoming Excavators, Inc.	7/8/14	10/15/14	11/1/14	\$ 47,000.00	\$ 94,000.00	O&M	Non-Integrated
Rotomill/Resurfacing of Carlton Avenue from Lake Drive to Fulton Street	Georgetown Construction	7/8/14	9/30/14	7/15/15	\$ 449,000.00	\$ 280,000.00	2015	Non-Integrated
Water Main Replacement in Richmond Street from 300' to 100' west of Muskegon Avenue; from 50' east of Muskegon Avenue to Seward Avenue and from Broadway Avenue to 200' east of Turner Avenue, and Resurfacing of Richmond Street from Alpine Avenue to 200' east of Turner Avenue	Nagel Construction, Inc.	7/8/14	9/30/14	7/15/15	\$ 420,000.00	\$ 377,000.00	2015	Non-Integrated
Rotomill/Resurfacing of Turner Avenue from Ann Street to Southbound US-131 Ramps	Kamminga & Roodvoets, Inc.	7/8/14	9/30/14	6/30/15	\$ 31,000.00		2015	Non-Integrated

**Water/Sewer UAB Report
August 2014**

Project Name	Contractor	Award Date	Substantial Completion Date	Final Completion Date	Water Fund Authorized NTE Amt	Sewer Fund Authorized NTE Amt	Est. Year for Rates	Integrated (Y/N)
Energy Improvements at the Lake Michigan Filtration Plant-2014-1A	Honeywell International, Inc.	8/6/14	8/25/2015	8/8/2015	\$ 150,000.00		2016	Integrated
Energy Improvements at the Lake Michigan Filtration Plant-2014-1B	Honeywell International, Inc.	8/6/14	8/25/2015	8/8/2015	\$ 850,000.00		2016	Integrated
Restoration Improvements to the Pump Gallery and Related Compartments at the Market Avenue Retention Basin	D.C. Byers Company/ Grand Rapids, Inc.	8/26/14	11/3/2014	11/17/2014		\$ 196,000.00	2015	Non-Integrated